



Roll Forward Hearing

City of New Orleans
November 21st, 2019

Roll Forward Hearing

Purpose

- This hearing will fulfill the Louisiana Constitutional requirement to hold a separate hearing to provide information to the public regarding the quadrennial roll forward request



2020 Ad Valorem Tax

2 ordinances will be introduced, the first to roll back millages to revenue neutrality and the second to roll forward individual millages

Ordinance #32,795

- This ordinance rolls back the citywide millage rate 4.60 mills to 86.09.
- This roll back represents the mandatory change in millage required to maintain revenue neutrality after the quadrennial re-assessment.
- *Note: assessment increases related to new construction are not considered in the revenue neutrality calculation but will be subject to the final millage rate*

Ordinance #32,796

- City Council may roll forward millages up to the 2019 millage rates (maximum authorized millage)
- After the roll forward, the overall millage levied will remain at 86.09 however, some millages will be rolled forward, while other millages are rolled back or reduced.
- This minimizes the impact to tax payers, while still allowing additional funding for key administration priorities such as public safety and infrastructure
- *Note: special districts are assessed at their requested rate: DDD, Touro, Garden District*



2020 Millage Adjustments

The amended roll forward ordinance adjusts individual millages to reflect key priorities while keeping the aggregate citywide millage at the roll back level

Millages	2019	Roll Back	Executive Budget Oct 17	Amended Budget Nov 21
REC	39.37	36.74	37.72	39.03
Non-REC	51.36	49.35	50.78	47.06
ORDINANCE TOTAL	90.69	86.09	88.50	86.09
<i>Millage Reduction from 2019</i>		-4.60	-2.19	-4.60

- The Executive Budget proposed an assessment increase of 15.7% (based on the latest available data from the Assessor) and restored a 50% of the roll back for all millages
- The amended Roll Forward Ordinance incorporates the subsequent Board of Review adjustments which lowered the cumulative assessment increase to 13.8%



2020 Millage Adjustments (Cont'd)

Certain millages have been redirected to focus on public safety and infrastructure

- Key millages are being 100% rolled forward to their maximum authorized millage rate:
 - Police & Fire
 - Sewerage & Water Board
 - City Alimony
 - Neighborhood Housing Improvement Fund
- Certain millages that are expiring or renewed at a lower rate in 2021 are levied below the roll back millage:
 - Economic Development Fund
 - Capital Improvement Fund
 - Audubon
 - Library



2020 Millage Adjustments (Cont'd)

Certain millages have been redirected to focus on public safety and infrastructure

Action	Millage	2019	Roll Back	Roll Forward	% of 2019
Rolled Forward	Fire & Police	19.37	18.81	19.37	100%
	Sewerage & Water Board	16.23	15.12	16.23	100%
	City Services	15.10	14.07	15.10	100%
	Neighborhood Housing Improvement Fund - NHIF	0.91	0.85	0.91	100%
Rolled Back	Parks & NORD-C	3.00	2.79	2.79	93%
	Street & Traffic Control Devices	1.90	1.77	1.77	93%
Reduced	Capital Improvement Fund - <i>City Special Fund</i>	1.82	1.70	0.56	31%
	Economic Development Fund - <i>City Special Fund</i>	0.91	0.85	0.00	0%
	Audubon	3.31	3.08	1.95	59%
	Library	5.64	5.25	4.91	87%

2020 Millage Adjustments (Cont'd)

Certain millages have been redirected to focus on public safety and infrastructure

	2019	Roll Back	Roll Forward	% of 2019
General Alimony	13.91	12.96	13.91	100%
City Services	1.19	1.11	1.19	100%
Fire/Police (1)	4.27	3.98	4.27	100%
Fire/Police (2)	2.13	1.98	2.13	100%
Police - without Homestead Exemption	5.26	4.93	5.26	100%
Fire - without Homestead Exemption	7.71	7.22	7.71	100%
Parkway & Recreation	3.00	2.79	2.79	93%
Street & Traffic Control Devices	1.90	1.77	1.77	93%
REC Subtotal	39.37	36.74	39.03	99%
Sewerage & Water Board (2)	4.46	4.15	4.46	100%
Sewerage & Water Board (3)	4.71	4.39	4.71	100%
Sewerage & Water Board (4)	7.06	6.58	7.06	100%
Audubon Zoological Gardens	0.32	0.30	0.15	47%
Aquarium of the Americas	2.99	2.78	1.80	60%
Public Library	3.14	2.92	2.41	77%
Public Library	2.50	2.33	2.50	100%
Bond Interest & Redemption	22.50	22.50	22.50	100%
Neighborhood Housing and Economic Development	1.82	1.70	0.91	50%
Capital Improvement & Infrastructure	1.82	1.70	0.56	31%
Other Citywide Subtotal	51.32	49.35	47.06	92%
Citywide ORDINANCE TOTAL	90.69	86.09	86.09	95%



2020 Special District Millage Adjustments

All special district millages levied at requested rates

Millage	2019	Roll Back	Roll Forward	% of 2019
Downtown Development District	17.76	12.47	14.76	100%
Garden District Security District	10.00	9.28	9.00	90%
Touro- Bouligny Security District	8.01	7.32	8.50	106%



Taxpayer Impact from Ordinance Millage Adjustment

The tax bill for residence with a 2020 Fair Market Value of \$200,000 and a homestead exemption is reduced by about \$4.79 per month or \$58 per year

Decrease in Annual Taxes Based On Fair Market Value*

Fair Market Value Of Home/Property	\$100,000	\$200,000	\$250,000	\$300,000	\$350,000	\$400,000	\$450,000	\$500,000	\$750,000	\$1,000,000
Residence With Homestead Exemption	-\$12	-\$58	-\$81	-\$104	-\$127	-\$150	-\$173	-\$196	-\$311	-\$426
Residence Without Homestead Exemption And Commercial Land	-\$46	-\$92	-\$115	-\$138	-\$161	-\$184	-\$207	-\$230	-\$345	-\$460
Commercial Structures And Personal Property	-\$69	-\$138	-\$173	-\$207	-\$242	-\$276	-\$311	-\$345	-\$518	-\$690
Public Service Property	-\$115	-\$230	-\$288	-\$345	-\$403	-\$460	-\$518	-\$575	-\$863	-\$1,150

Decrease in Monthly Taxes Based On Fair Market Value*

Fair Market Value Of Home/Property	\$100,000	\$200,000	\$250,000	\$300,000	\$350,000	\$400,000	\$450,000	\$500,000	\$750,000	\$1,000,000
Residence With Homestead Exemption	-\$0.96	-\$4.79	-\$6.71	-\$8.63	-\$10.54	-\$12.46	-\$14.38	-\$16.29	-\$25.88	-\$35.46
Residence Without Homestead Exemption And Commercial Land	-\$3.83	-\$7.67	-\$9.58	-\$11.50	-\$13.42	-\$15.33	-\$17.25	-\$19.17	-\$28.75	-\$38.33
Commercial Structures And Personal Property	-\$5.75	-\$11.50	-\$14.38	-\$17.25	-\$20.13	-\$23.00	-\$25.88	-\$28.75	-\$43.13	-\$57.50
Public Service Property	-\$9.58	-\$19.17	-\$23.96	-\$28.75	-\$33.54	-\$38.33	-\$43.13	-\$47.92	-\$71.88	-\$95.83

* Assumes no savings to the taxpayer from the phase-in; eligible taxpayers will pay less from 2020-2022

Assuming a reduction of the aggregate millage of 4.60 mills, the public safety millages not subject to the homestead exemption are maximized



Ad Valorem Tax Phase-In

The four year phase-in obligations are shown in the table and apply only to the increase in taxes due to the reassessment, not the entire tax bill

Tax Burden During Phase-in for Eligible Taxpayers		
Tax Year	City	Tax Payer
2020	75%	25%
2021	50%	50%
2022	25%	75%
2023	0%	100%

- The City must absorb the cost of the phase-in by receiving less revenue than implied by revenue neutrality, even without a roll forward
 - The cost will be largest in the first year as the City by law must waive 75% of revenue associated with any eligible reassessment
 - The cost must be absorbed by the taxing authority and not shifted to other taxpayers; for example, the cost cannot be considered in the roll forward calculation
- The assessor projects an assessment increase of \$64M would be eligible for the phase-in
 - The estimated impact to the general fund is \$1.8M





Questions?

City of New Orleans